

State of Alaska FY2011 Governor's Operating Budget

Department of Health and Social Services Permanent Fund Dividend Hold Harmless Component Budget Summary

Component: Permanent Fund Dividend Hold Harmless**Contribution to Department's Mission**

Protect needy elderly, disabled and low-income Alaskan families from losing public assistance and medical benefits due to receipt of a permanent fund dividend. This protection was established in law in 1982.

Core Services

- Provide payments to replace Alaska Temporary Assistance, Adult Public Assistance, Supplemental Security Income, and Food Stamp benefits for individuals who would lose eligibility or whose benefits would be reduced if they received a Permanent Fund Dividend.

Key Component Challenges

There are no significant challenges anticipated in FY11.

Significant Changes in Results to be Delivered in FY2011

No significant changes in results to be delivered for FY11.

Status Updates for Changes in Results to be Delivered in FY2010

No significant changes in results to be delivered for FY10.

Major Component Accomplishments in 2009

- Made changes to procedures to accommodate updates to the automated process, the issuance of the permanent fund dividend (PFD) a month earlier than normal, and a much higher payment amount that included the Resource Rebate. These procedures were followed to provide hold harmless benefits to food stamp households, which helps to reduce case work burden. The process uses currently available computer-generated information from the Department of Revenue about households that are eligible for permanent fund dividend hold harmless benefits.
- Notified over 41,000 households that the Resource Rebate portion of the PFD payment would not affect their benefits and encouraged the use of this money to help with energy needs.

Statutory and Regulatory Authority

AS 43.23.075 Eligibility for Public Assistance
AS 43.23.085 Eligibility for State Programs
7 AAC 38 Permanent Fund Dividend Distribution

Contact Information

Contact: Betsy Jensvold, Budget Manager
Phone: (907) 465-1629
Fax: (907) 465-1850
E-mail: betsy.jensvold@alaska.gov

**Permanent Fund Dividend Hold Harmless
Component Financial Summary**

All dollars shown in thousands

	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	435.0	435.0	435.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	13,492.2	13,149.7	13,149.7
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	13,927.2	13,584.7	13,584.7
Funding Sources:			
1050 Permanent Fund Dividend Fund	13,927.2	13,584.7	13,584.7
Funding Totals	13,927.2	13,584.7	13,584.7

**Summary of Component Budget Changes
From FY2010 Management Plan to FY2011 Governor***All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2010 Management Plan	0.0	0.0	13,584.7	13,584.7
FY2011 Governor	0.0	0.0	13,584.7	13,584.7

Component Detail All Funds **Department of Health and Social Services**

Component: Permanent Fund Dividend Hold Harmless (225)

RDU: Public Assistance (73)

	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Management Plan	FY2011 Governor	FY2010 Management Plan vs FY2011 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	435.0	435.0	435.0	435.0	435.0	0.0	0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	13,492.2	13,149.7	13,149.7	13,149.7	13,149.7	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	13,927.2	13,584.7	13,584.7	13,584.7	13,584.7	0.0	0.0%
Fund Sources:							
1050 PFD Fund	13,927.2	13,584.7	13,584.7	13,584.7	13,584.7	0.0	0.0%
General Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	13,927.2	13,584.7	13,584.7	13,584.7	13,584.7	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Health and Social Services

Component: Permanent Fund Dividend Hold Harmless (225)

RDU: Public Assistance (73)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2010 Conference Committee To FY2010 Authorized *****												
FY2010 Conference Committee	ConfCom	13,584.7	0.0	0.0	435.0	0.0	0.0	13,149.7	0.0	0	0	0
1050 PFD Fund	13,584.7											
Subtotal		13,584.7	0.0	0.0	435.0	0.0	0.0	13,149.7	0.0	0	0	0
***** Changes From FY2010 Authorized To FY2010 Management Plan *****												
Subtotal		13,584.7	0.0	0.0	435.0	0.0	0.0	13,149.7	0.0	0	0	0
***** Changes From FY2010 Management Plan To FY2011 Governor *****												
Totals		13,584.7	0.0	0.0	435.0	0.0	0.0	13,149.7	0.0	0	0	0

Line Item Detail
Department of Health and Social Services
Services

Component: Permanent Fund Dividend Hold Harmless (225)
RDU: Public Assistance (73)

Line Number	Line Name			FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73000	Services			435.0	435.0	435.0
Expenditure Account		Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73000 Services Detail Totals				0.0	0.0	435.0
73979	Mgmt/Consulting (IA Svcs)	H&SS	RSA with the Division of Public Assistance (PA), PA Field Services component for administrative and case maintenance required to operate the Permanent Fund Dividend Hold Harmless program.	0.0	0.0	435.0

Line Item Detail
Department of Health and Social Services
Grants, Benefits

Component: Permanent Fund Dividend Hold Harmless (225)

RDU: Public Assistance (73)

Line Number	Line Name			FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
77000	Grants, Benefits			13,492.2	13,149.7	13,149.7
Expenditure Account	Servicing Agency	Explanation		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
77000 Grants, Benefits Detail Totals				0.0	0.0	13,149.7
77670	Benefits	SSI - Social Security and the Division of Public Assistance have entered into a written agreement, which operates as follows: The SSI program has a current need standard of \$579. Under SSI rules, as long as the Dividend exceeds \$579, each recipient keeps SSI eligibility through the month of receipt of the Dividend, but suffers an overpayment for that month. SSI establishes a recovery of that overpayment, drawing \$564 in full repayment from an account into which Public Assistance has deposited Hold Harmless state funds. This guarantees no service level disruption in Social Security Administration's Alaskan offices. (In FY09, there were 9,762 Hold Harmless SSI cases at \$458 average payment.)		0.0	0.0	4,679.7
77670	Benefits	H&SS RSA with the Division of Public Assistance, Adult Public Assistance (APA) component for the APA State Supplemental overpayment resulting from Dividend receipt and "recovers" this State payment with hold harmless funds. (FY09 totals were 14,475 Hold Harmless APA cases at a \$274 average payment.)		0.0	0.0	3,530.0
77670	Benefits	The Food Stamp Program defines Dividend payments in such a way that eligibility for food stamps is lost for the month in which applicant households receive their permanent fund dividend (PFD). PFD Hold Harmless/Food Stamp replaces 100% federal participation.		0.0	0.0	2,700.0
77670	Benefits	H&SS RSA with the Division of Public Assistance Alaska Temporary Assistance Program (ATAP) and Tribal Assistance for program hold harmless. The Temporary Assistance program considers the dividend as income in the month it is received.		0.0	0.0	2,240.0

Line Item Detail
Department of Health and Social Services
Grants, Benefits

Component: Permanent Fund Dividend Hold Harmless (225)

RDU: Public Assistance (73)

Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
77000 Grants, Benefits Detail Totals			0.0	0.0	13,149.7

Temporary Assistance income limits are substantially lower than the amount of dividend payments, so receiving dividends almost invariably renders a family ineligible for Temporary Assistance benefits in the month of receipt.

Inter-Agency Services
Department of Health and Social Services

Component: Permanent Fund Dividend Hold Harmless (225)

RDU: Public Assistance (73)

Expenditure Account		Service Description	Service Type	Servicing Agency	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73979	Mgmt/Consulting (IA Svcs)	RSA with the Division of Public Assistance (PA), PA Field Services component for administrative and case maintenance required to operate the Permanent Fund Dividend Hold Harmless program.	Intra-dept	H&SS	0.0	0.0	435.0
73979 Mgmt/Consulting (IA Svcs) subtotal:					0.0	0.0	435.0
77670	Benefits	RSA with the Division of Public Assistance, Adult Public Assistance (APA) component for the APA State Supplemental overpayment resulting from Dividend receipt and "recovers" this State payment with hold harmless funds. (FY09 totals were 14,475 Hold Harmless APA cases at a \$274 average payment.)	Intra-dept	H&SS	0.0	0.0	3,530.0
77670	Benefits	RSA with the Division of Public Assistance Alaska Temporary Assistance Program (ATAP) and Tribal Assistance for program hold harmless. The Temporary Assistance program considers the dividend as income in the month it is received. Temporary Assistance income limits are substantially lower than the amount of dividend payments, so receiving dividends almost invariably renders a family ineligible for Temporary Assistance benefits in the month of receipt.	Intra-dept	H&SS	0.0	0.0	2,240.0
77670 Benefits subtotal:					0.0	0.0	5,770.0
Permanent Fund Dividend Hold Harmless total:					0.0	0.0	6,205.0
Grand Total:					0.0	0.0	6,205.0